Session # 2 Lecture



Overview

- *^NLM* case review-discussion
 - ▲ Conversation with Ms. Williams, NLM
- **^** Course logistics
- ▲ Discuss Challenge Question #1
- ▲ Discuss Challenge Question #2
- ▲ Discuss E-Bay in the Context of Chapter 2
 - ▲ *E-Bay* video
- ▲ Develop Case Analysis Framework using Amazon



Discuss Challenge Question #1

- *▲ What was the goal of your transformation?*
- *▲* What were the key areas?
- ▲ What did you decide to do (move or stay put)?
- ▲ What technology was used for the transformation?
- *▲* What was the impact (five bullet points)?
- ▲ What was the value proposition to your stakeholders?



Discuss Challenge Question #2

- *▲What process did you focus on?*
- ►What Approaches to Business Model Evolution did you apply to your process?
- *▲What Proposed technologies / applications did you recommend?*
- ▲What was the value proposition (benefits to stakeholders)?



E-Bay / Chapter 2

- ► How did E-Bay evolve their business model?
 - **^** Video
 - **^**Discuss Examples
- ► How did American express evolve their business model
 - **^**Discuss examples



- ▲ Describe the Company, Industry and Environment
- ▲ Who are the Stakeholders?
- *▲* What are the problems / Symptoms?
- ▲ Who or What has the potential for causing the problems
- ▲ Who may be affected by the problems
- *▲* What are the alternative Solutions
- ▲ What are the pro's and Con's of each solution
- *▲* What is your recommendation



Case Analysis Framework

- **^**Describe the Company, Industry and Environment
- **^**Discuss Amazon.com



- *▲* Who are the Stakeholders?
 - **▲**Internal
 - **▲**External
- **^**Discuss Amazon.com
- ▲ As a class list



- ► What are the problems / Symptoms?
- **^**Discuss Amazon.com
 - *▲Within your groups*
 - ▲List a set of potential problems for Amazon (approx. 5)
 - **^**Discuss as a class
 - ▲Symptoms / Problems / connection
 - *^Develop a Matrix*



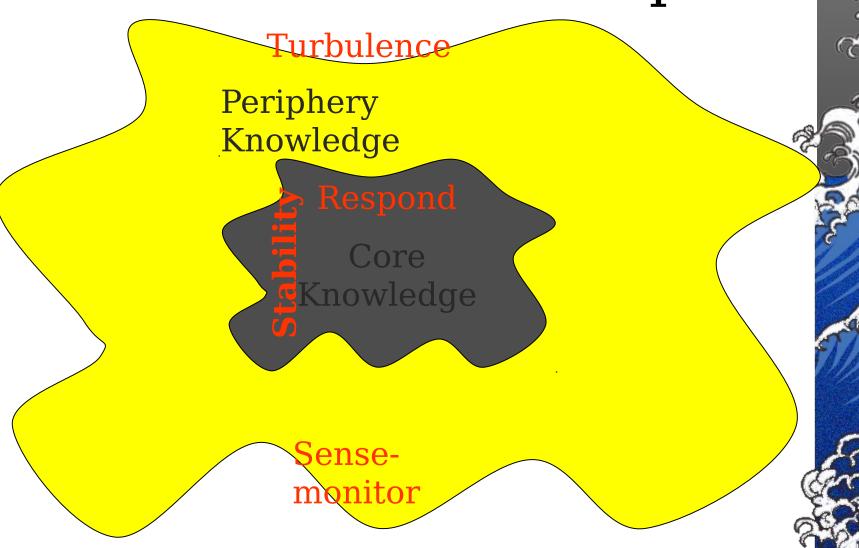
- ► Who or What has the potential for causing the problems / Who may be affected by the problems?
 - **^**Stakeholders
 - **▲**Environment
- **^**Discuss Amazon.com
- ▲ As a Class connect to either Symptoms or Problems



- *▲What are the alternative Solutions*
- **^**Discuss Amazon.com
 - ▲In your groups develop a set of solutions (3) one for each problem or one that solves more than one problem
 - As a class / Group list all the solutions
 - As a group list the Pro's and Cons of each solution
 - As a class discuss the Pro's and Con's
 - *As a group determine the best solution*



Ecosystem Model of Internet Business Space



	<u>Industrial Age</u>	Internet Information Age	
	(mechanistic)	(organic)	
	Old Way	New Way	7
Customers	Take what they can get, mass production	- Customization-Individually	100
		- Electronic Bonding	100 P
		- Well known behavior patterns	
Processes	Externalized-machine precisioncontrolled	External and internalchanging constantly, highly	
	from top	automated, flexible	1 . C. S.
	(Moving atoms)	(Moving electrons)	
Economics	Return on Tangible assets	Retum on intangible	300
	- Cost accounting	- Both cost and value	(2) 25 TO
	- Cost only raw data	- New raw data for cost/value intangibles	Son Son El
Change	- Predictable, controllable	- Constantunpredictable based on changing	
	- Linear, Newtonian, Mechanistic	market	2665
		- "Internet Time"	
		- Thermodynamics	1 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Management	- Command and Control	- Bottoms-up	
	- Top-down	- Sense and respond	2000
	- Build step-by-step	- Cultivate	Car Car
	(Theory X, Scientific Mgmt)	(Self-directed work teams, self-organizing,	17/1//////
		communities of practice/interest)	
Strategy	- Forecasting based on historical trends and	- Monitor and adapt	
	control of capital	- Risk as a fact of life	
	- Risk-averse	- Never get comfortable with status quo	
Information	- Automate to reduce production and back	- Information instantaneously everywhere	en
Technology	office costs	- Connect parties to create new value(customers, \	-
		sellers, suppliers)	
		- Move K-assets out of heads into IT	Poco v
	•	· (f)	

EB/EC Architecture Goals

- Provide a means for optimizing DoD business operations
 - ▲ Define DoD business operations and their operational environment
 - ▲ Define the flow of data/assets necessary to conduct business operations
 - ▲ Define major system components
 - ▲ Define flexible industry-based technology profile
- Provide the following (through DoD-wide adherence to Architecture):
 - *▲* Compatibility of business operations
 - ▲ Commonality of business functions
 - ▲ Interoperability and scalability of business systems
 - ▲ Efficient use of resources

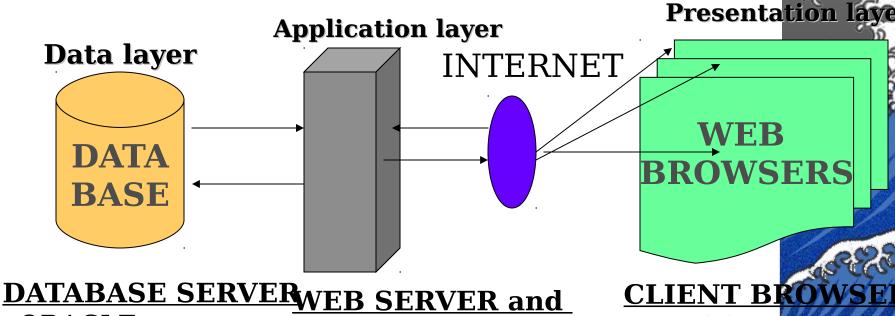


DoD EC Architecture High-Level Operational Graphic **Operational View** Warfighter **Operations Movement** Training **Requirements Analysis Maintenance** Industry **Adjudiçation** (various T&E Auditing ransportation **Business Operations Environment** Budget Planning 🔼 🚍 **Training** Development **Initiate a transaction** Construction Manage a transaction Mamt 707 Receiving Manage reference data **Program Provide performance support Contract Admin** Sch, Dir, Cont Control access to and protect transaction and reference data Disposal **Procurement** Mamt = Transmit and translate transactions and reference data **Personnel Admin Engineering** Analysis & **Approval** Payment/ Facilities Mgmt Disbursement Technology **Funds Mamt Projection** Inventory Oversight Maintenance Flow Mamt Health, Safety, **Accounting** Planning **Environment** Log Planning **DoD Business Operations**

Business Protection Environment

Example Business rocess Inventory Flow Mgt -**Transportation** Here's your **Operational View** Here's shovel **Oversight** shovel Health, Warfighter Did you really need Safety, and Requiremen to buy that shovel **Environmental** ts Analysis I need to dig hole Here's instructions You need shove Training and warning labels Log Planning **Development** for your shovel Need reliable shove DoD Did the shovel really **Business Operations Inventory** cost that much? Flow Mgt on hand. **Environment Payment** need to order. and Disb. Initiate a transaction **Payment Funds** Manage a transaction Mat **Payment** Manage reference data I authorize and Disb. Pay him buying shovel **Provide decision support** Industr Control access to transactions and Program Sche.Dir., Please pay reference data and Control my invoice **Buy shovel from** Transmit and translate transactions and this account reference data Yes, that shovel is acceptable **Engineering** Any shovel vendors interested? Here's your shove **Procureme** Industry **Business** I accept l am Industry Procureme **Operations** Give me price and can sell you a **A**vailability shovel at \$\$\$ Procureme **Activity** Industry

Three Tier/N'Tier Model for **Business**



ORACLE

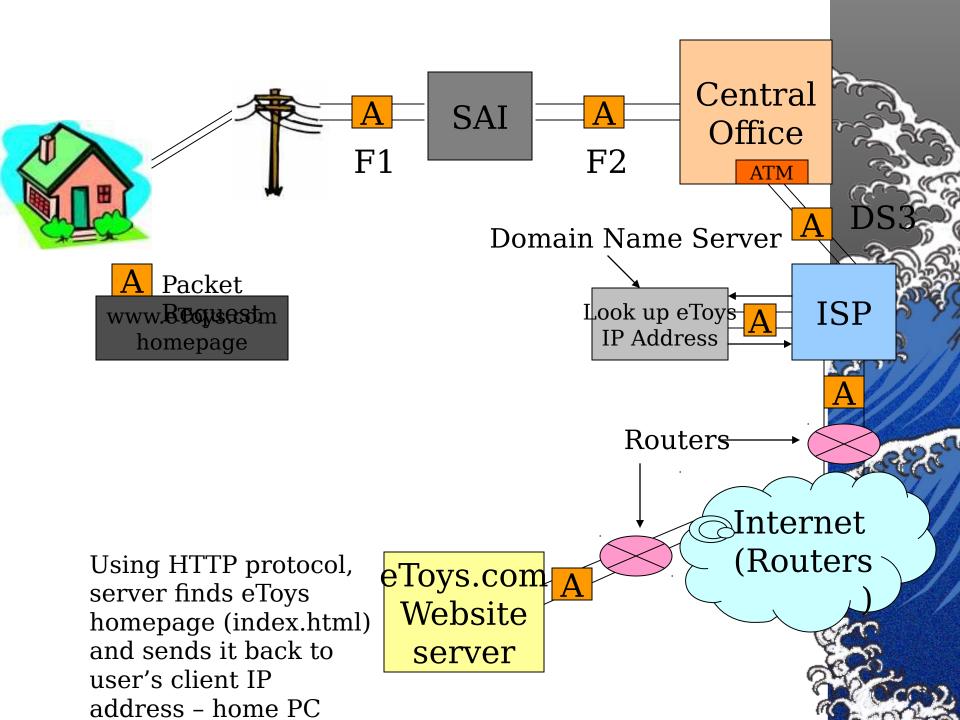
- •MS SQL
- •ACCESS

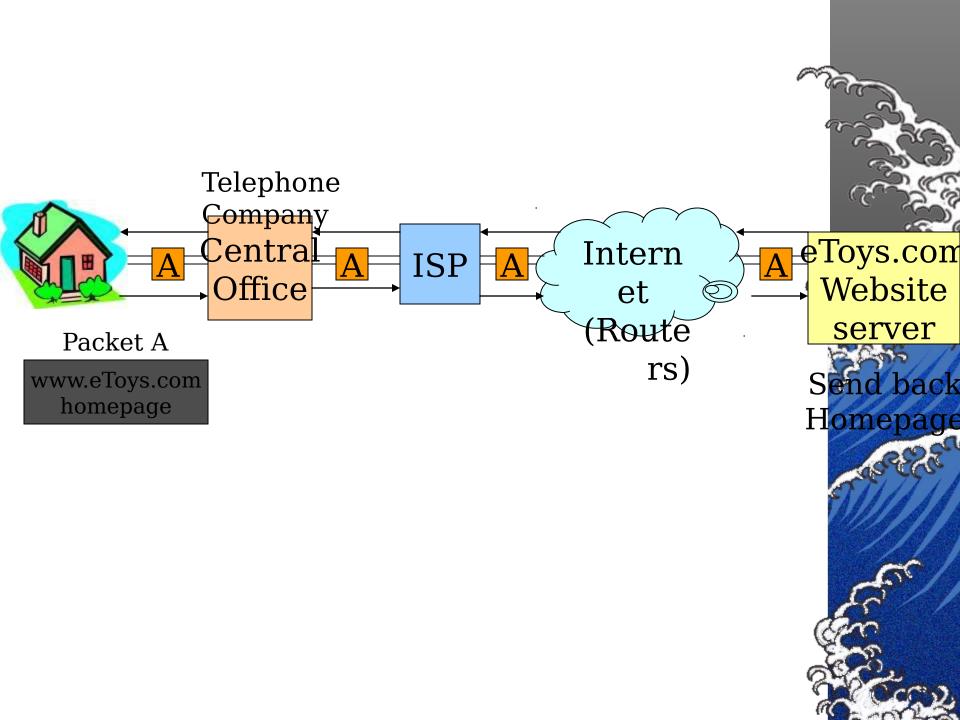
APPLICATION SERVERNETSCAP

- •MS I.S.
- •UNIX (APACHE)
- •ASP, JSP

CLIENT BROV

∙MS I.E.





Sources of Change

	DoD-	Presiden t		Citize ns
	Top Brass	L	S	113
War	X			e e
Peace			X	X
In Betwe		X		
en (e.g.Terr orism)				

Conclusions

- **▲**Continued exponential growth
- *★Everything will be IP*
- ▲Broadband and wireless growth
- ▲ Acceleration of business government/ defense change will continue unabated

